

REFERENCE TITLE: motor vehicle dealers; background checks

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

HB 2388

Introduced by
Representative Pierce

AN ACT

AMENDING SECTION 28-4361, ARIZONA REVISED STATUTES; RELATING TO MOTOR VEHICLE DEALERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 28-4361, Arizona Revised Statutes, is amended to
3 read:

4 28-4361. License application; criminal records check

5 A. A person shall apply for a license to the director in writing on
6 forms prescribed by the director. The person shall include with the
7 application all documents and bonds required and the annual license fees
8 prescribed by section 28-4302.

9 B. The application shall be verified and shall contain:

10 1. The name and residence of either:

11 (a) The applicant.

12 (b) If the applicant is a partnership, each partner.

13 (c) If the applicant is a corporation, each principal officer,
14 director, agent or stockholder who owns twenty per cent or more of the
15 corporation and the name of the state in which the corporation was organized.

16 2. The principal place of business of the applicant.

17 3. The established place of business or the place of business at or
18 from which the applicant will conduct the business.

19 4. The make or makes of new motor vehicles, if any, that the applicant
20 will sell or offer for sale in this state.

21 5. The business hours of the applicant.

22 6. Other information that the director requires.

23 C. Each applicant, and each partner, officer, director or agent or
24 each stockholder owning twenty per cent or more of a corporation, seeking a
25 new license shall provide:

26 1. A full set of fingerprints to the department **OF TRANSPORTATION** for
27 the purpose of obtaining a state and federal criminal records check pursuant
28 to section 41-1750 and Public Law 92-544. The department of public safety
29 may exchange this fingerprint data with the federal bureau of investigation.

30 2. A nonrefundable fee to be paid to the department of public safety
31 for the criminal records check.

32 D. If a licensee adds or changes a partner, officer, director or
33 agent, or a stockholder who owns twenty per cent or more of the corporation,
34 who was not included in the criminal records check on a prior application,
35 the licensee shall notify the department within thirty days of the change. At
36 the time of notification, an application and, if applicable, a full set of
37 fingerprints and the fee for a criminal records check shall be submitted to
38 the department. If any individual who is added or changed by the licensee is
39 found to be ineligible pursuant to section 28-4365, the director, on
40 completion of the criminal records check, shall advise the licensee and the
41 individual in writing that the license will be revoked, unless the individual
42 is removed from the position, and of the grounds for the action.

43 E. The requirement for a criminal records check:

- 1 1. Does not apply to a **NEW MOTOR VEHICLE DEALER**, manufacturer,
2 importer, factory branch or distributor or a person who is under eighteen
3 years of age on the date the application is filed with the department.
- 4 2. May not apply if the application is for a subsequent license and
5 the applicant, and each partner, officer, director or agent or each
6 stockholder owning twenty per cent or more of a corporation, either:
7 (a) Have submitted to a criminal records check during the past five
8 years.
9 (b) Are currently licensed under this section.